



County of Los Angeles
Department of Public Social Services

Bryce Yokomizo
Director

December 2, 2002

TO: Each Supervisor

FROM: Bryce Yokomizo, Director

SUBJECT: RESPONSE TO CHANNEL 4 NEWS STORY ON WELFARE FRAUD

On Monday, November 25, 2002, Channel 4 News ran a story on welfare fraud during their 11 o'clock evening newscast. The story was also aired on Thursday, November 28. In advance, Channel 4 had promoted the story as a government corruption piece before they had even interviewed us to get our perspective. While we believe the story was not objective, we are taking the comments seriously and we have carefully reviewed each of the allegations presented. A copy of the video segment is included for your review.

The primary source for the news piece was an anonymous DPSS informant. Channel 4 also conducted separate on-camera interviews with Phil Rabichow, Head Deputy, in the District Attorney's (DA) Welfare Fraud Division and me.

Essentially, the story alleged that our staff are failing to serve as gatekeepers and are allowing persons to receive aid fraudulently. As an example, Channel 4 pointed out welfare recipients, Mr. Paul Lai and Ms. Sammie Luu, who were showcased as persons stealing from the system. These recipients, however, were actually caught as the result of an eligibility worker following proper procedures and referring the case for investigation. Their sentencing is scheduled for January 2003.

The report also described a possible Medi-Cal case wherein the participant allegedly had two Social Security Numbers. It was not clear whether duplicate aid was issued, and the recipient had allegedly moved out of the State. We followed-up with Channel 4 to get more information so we could conduct a follow-up investigation, but they cited confidentiality and the need to protect their source as the reasons for not releasing the information to us. We asked Channel 4 to use the We Tip Welfare Fraud Hotline number so they could report the alleged fraud anonymously.

DPSS has a number of checks and balances including innovative programs, all designed to prevent, discover, investigate and prosecute welfare fraud.

Some examples include:

- **We Tip Hotline** - Under a motion by Supervisor Antonovich and approved by your Board, DPSS contracts with We Tip, who receives anonymous welfare fraud referrals via the telephone. This toll-free reporting line allows the public and DPSS staff to report welfare fraud 24 hours a day. This hotline alone has prevented more than \$9.5 million in fraudulent benefits from being issued and detected over \$10 million in overpayments since its inception in 1987.
- **Early Fraud Detection Program** - DPSS fraud investigators are stationed in the Department's 31 district offices to work with eligibility staff to prevent fraud before it starts.
- **Statewide Fingerprint Imaging System** - This State system captures fingerprint and photographic images of applicants to prevent multiple case fraud.
- **Welfare Fraud Linkage Analysis Database System** - A County anti-fraud tool that automatically receives, stores, reads, and analyzes data from existing DPSS computer systems. This system periodically identifies inconsistencies in welfare cases, and alerts fraud staff. Examples of the alerts of inconsistencies include affluent address, Social Security Number verification, and date of birth.
- **Fraud Matches** - Various local and State systems that, for example, provide data on earnings, State Unemployment Insurance and Disability Insurance Benefits, Social Security benefits, new hires, and deceased persons.
- **DPSS Welfare Fraud Prevention and Investigation Section** - Some 329 investigative and support staff assist Departmental efforts to prevent, discover, investigate and prosecute welfare fraud.
- **District Attorney Investigations and Prosecution** - DPSS provides funds for a team of District Attorney investigators who conduct specialized investigations and prosecute welfare fraud.

One valid concern pointed out by the DA is case record document retrieval. To this end, we have been working to improve processes to make sure that welfare cases contain necessary documents for the DA to use to prosecute cases. DPSS needs to improve in this area, and we had already scheduled a meeting with the DA's Welfare Fraud Division for December 19, 2002.

A final area of concern raised was the informant's allegation that there was a lack of honest and truthful people, and he felt intimidated in reporting fraud or abuse. I explained to Channel 4 that without fear of intimidation, any County employee can anonymously use the Welfare Fraud Hotline or County Employee Fraud Hotline to report any type of system abuse. While those comments did not make the news report,

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I will be releasing a reminder to all Departmental staff regarding the fraud reporting lines.

I am also sending a copy of the news report to the Auditor Controller, and I am open to any additional follow-up he may deem appropriate. We will continue to carefully monitor all aspects of fraud prevention programs while providing effective services to those in need.

BY:pkc

Enclosure

c: Chief Administrative Officer
District Attorney
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller